



Navy Strategic Sourcing Initiatives

Presented at the Quality Partnership Council Meeting

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NAVSUP Contracting Mission

- ◆ **Executing Head of Contracting Activity (HCA) authority for contracting policy matters, operational oversight, and specific approval actions**
- ◆ **Manages the NAVSUP Navy Field Contracting System (NFCS)**
- ◆ **Acts as Executive Agent for designated Navy programs**
 - ◆ **Simplified Acquisition Procedures**
 - ◆ **Contract Reporting**
 - ◆ **Navy Electronic Commerce Online**
 - ◆ **Contingency Contracting**
 - ◆ **AbilityOne (JWOD)**
 - ◆ **Strategic Sourcing**



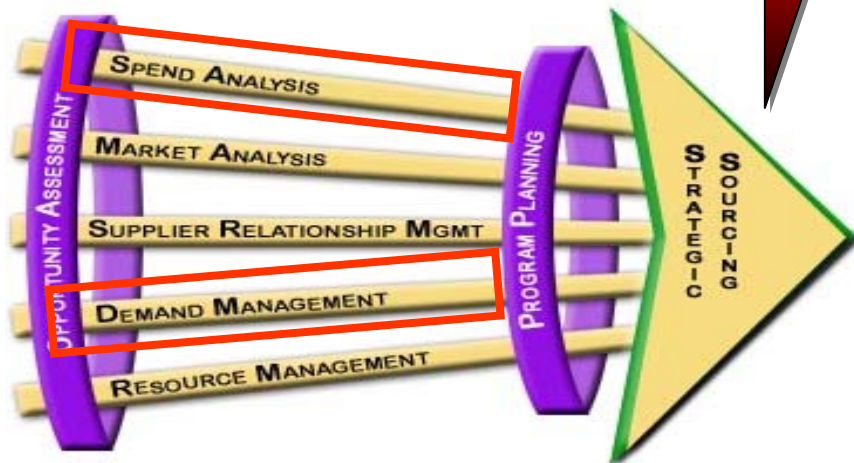
Background on Strategic Sourcing

- ◆ **The Navy's Executive Agent for strategic sourcing**
- ◆ **Using Strategic Sourcing as a process to:**
 - ◆ *Assess opportunities*
 - ◆ *Continue analysis of commodities and buying behaviors.*
- ◆ **Goals include:**
 - ◆ *Reduce costs*
 - ◆ *Meet socio-economic goals*
 - ◆ *Provide standardization*
- ◆ **Key to any decision process is information and details on our spending habits**

VISION AND STRATEGIC SOURCING OBJECTIVES

Vision

“To leverage the Department of the Navy’s (DoN) buying power to capture cost savings through a strategic sourcing initiative”



Program Objectives

- ◆ Enhance customer requirement fulfillment
- ◆ Improve acquisition processes
- ◆ Leverage department-wide purchasing power
- ◆ Build vendor partnerships
- ◆ Capture detailed/granular spend information
- ◆ Control demand



Navy's Relationship with GSA

- ◆ **NAVSUP was the only DOD agency on GSA's FSSI Teams for office supplies, wireless services, and copiers/printers.**
- ◆ **DON obtains sustained support from GSA for our BPAs and other strategically sourced items such as maritime coatings**
- ◆ **Continue efforts to leverage and partner with GSA for additional support in the far East (Singapore)**



Strategic Sourcing Solutions

- ◆ Current Dept. of Navy (DON) Strategic Sourcing efforts include:
 - ◆ *Furniture – 74 BPAs awarded against FSS schedules*
 - ◆ *DoN Office Supplies – 13 FSSI BPAs and 2 Navy contracts.*
 - ◆ *Administrative Services.*
 - ◆ *Medical Services.*
 - ◆ *Nationwide DoN Wireless Contracts*
 - ◆ *Copier and Copier Service Contract Initiative.*
 - ◆ *Maritime Coatings – (Navy contracts and GSA vehicles)*
 - ◆ *COMFISCS Logistics Services Contract Initiative.*
 - ◆ *Maintenance, Repair and Operations (MRO) Contract Initiative.*
 - ◆ *SEAPORTE (Contracts for professional services)*
 - ◆ *Enterprise Software Initiative*

- ◆ **Office Furniture Commodity Council was established March 2005 to:**
 - ◆ *Identify a nationwide Office Furniture solution*
 - ◆ *Maintain support for the Small Business Programs and Federal Prison Industries/UNICOR*
 - *Assure that the objectives of these programs were met and supported*
 - ◆ *Data collection and refinement of the spend data*
- ◆ **Council noted: High leverage opportunities ... best areas to consolidate requirements and lower costs**

- ◆ Supported by NAVSUP, Naval Facilities Engineering Command (NAVFAC)... Marine Corps interested too
- ◆ Ordering Fulfillment Mechanisms
 - ◆ *Flexibility and ease of ordering*
 - ◆ *Inclusion of UNICOR*
 - ◆ *Electronic ordering*
 - ◆ *Credit card spending*
 - ◆ *Product range (high demand/wide selections and ranges)*
 - ◆ *Product availability (high priorities/short notices)*
 - ◆ *Transportation time*
 - ◆ *Distribution systems*
 - ◆ *Ability to capture spend data*

- ◆ **Decision: A solution based on multiple FSS BPAs would support these initiatives and performance requirements**
- ◆ **Spiral 1**
 - ◆ *To collect data*
- ◆ **Spiral 2**
 - ◆ *To refine/standardize sourcing of the Office Furniture commodity groups based on small business niches, standardization, etc.*



Blanket Purchase Agreement (BPA)

What is a BPA?

- ◆ **A simplified method of filling anticipated repetitive needs for a wide variety of items in a broad class of supplies or services by establishing “charge accounts” with qualified sources of supply**
- ◆ **May be established with:**
 - ◆ *More than one supplier of the same type to provide maximum practicable competition.*
 - ◆ *FSS contractors, but consistent with the terms of the schedule contract*
- ◆ **Securing maximum discount**

- ◆ **74 BPAs awarded:**
 - ◆ ***23 each – 71IIH Packaged Furniture***
 - ◆ ***22 each – 71II Household & Quarters Furniture***
 - ◆ ***29 each – 71I Office Furniture***
- ◆ **BPA awarded to UNICOR**



Furniture Blanket Purchase Agreements

- ◆ ***BPAs allow the Navy to:***
 - ◆ **Achieve immediate savings by reducing overall costs**
 - ◆ **Receive additional discounts off GSA prices**
 - ◆ **Collect DoD to collect important DOD spend data**
- ◆ ***All Department of the Navy and Marine Corps cardholders and Contracting Officers***
 - ◆ **Use in accordance with their delegated purchase authority or maximum order threshold (whichever is lower)**
- ◆ ***General Contractors authorized by NAVFAC***

◆ Administration

- ◆ *No longer than 5 years*
- ◆ *Administered by FISC Norfolk Contracting Department*
- ◆ *No rolling admissions*
- ◆ *Desire to make mandatory for all Navy users*
- ◆ **When GSA contract expires, notify Government POCs**
- ◆ **Extended beyond current term of GSA FSS if current schedule contains unexercised options**
- ◆ **Ordering via DOD Portal/GSA E-buy**
- ◆ **Contractors to load catalog on DOD Email**



Using the DON Furniture Solution

- ◆ Orders may be made through the DOD EMALL, facsimile, Electronic Data Interchange, the GSA e-Buy website, or paper. Authorized user of the BPAs will include all DON purchase card holders, Contracting Officers in accordance with their delegated procurement authority, or maximum order threshold (whichever is lower), and general contractors as authorized by NAVFAC.
- ◆ DFARS Part 208 procedures apply to issuance of orders against BPAs established against FSS.
- ◆ **Orders over \$3000 must be competitive**
- ◆ **For orders exceeding \$100K, DFARS PGI 208.405-70 Additional ordering procedures state:**
 - ◆ (1) *Posting of a request for quotations on the GSA's electronic quote system, "e-Buy" (www.gsaAdvantage.gov), is one medium for providing fair notice to all contractors as required by DFARS 208.405-70(c)(2).*

- ◆ **Soliciting quotes on GSA E-Buy**
 - ◆ ***All RFQs posted to the GSA eBuy website for GSA BPA pricing must contain the following text:***
 - ◆ ***“This Request for Quotation and subsequent order is set-aside exclusively for only those authorized FISC Norfolk BPA holders. Quotes from other than these vendors will not be considered.”***

◆ Business rules:

◆ *Definition:*

- ◆ Furniture includes the descriptions and Special Item Number categories as referenced in the GSA FSS 71 I Office Furniture, 71 II Household and Quarters Furniture, and 71 IH Packaged Furniture



Using the DON Furniture Solution

- ◆ **GSA Special Item Numbers for Furniture**
- ◆ ***71 I Office Furniture***
- ◆ **711-1 Furniture systems and workstation clusters**
- ◆ **711-2 Work surfaces, workstations, computer furniture and Accessories**
- ◆ **711-3 Filing and storage cabinets, shelves, mobile carts, dollies, racks and accessories**
- ◆ **711-4 Blueprint filing cabinets**
- ◆ **711-5 Card files**
- ◆ **711-6 Form files**
- ◆ **711-7 High density, movable filing systems and accessories**
- ◆ **711-8 Executive office furniture**
- ◆ **711-9 Executive conference room furniture, coordinated tables, case pieces and accessories**



Using the DON Furniture Solution

- ◆ 711-10 Executive furniture single item accent and specialty pieces
- ◆ 711-11 Tables and accessories
- ◆ 711-12 System type tables and accessories
- ◆ 711-13 Acoustical partitions, demountable walls and accessories
- ◆ 711-14 Vertical surface attachment panels and accessories
- ◆ 711-15 Acoustical wall treatments
- ◆ 711-16 Upholstered seating
- ◆ 711-17 Multiple seating
- ◆ 711-18 Multipurpose seating
- ◆ 711-19 Stacking chairs and dollies or trucks designed to support stacking chairs
- ◆ 711-20 Display and communication boards, wall stations, and accessories
- ◆ 711-93 Reconfiguration and relocation services
- ◆ 711-94 Design/layout services, and
- ◆ 711-95 Installation services.

Using the DON Furniture Solution

- ◆ ***71 II Household and Quarters Furniture***
 - ◆ ***Cabinets***
 - ◆ ***Wall units***
 - ◆ ***Loft group***
 - ◆ ***Dormitory, quarters and residential case goods and beds***
 - ◆ ***Chairs – dining room, desk, side, period style and bar stools***
 - ◆ ***Upholstered seating***
 - ◆ ***Casual and outdoor furniture and accessories***
 - ◆ ***Installation services***
- ◆ ***71 IH Packaged Furniture***
- ◆ ***71-1 Packaged offices***



POINT OF CONTACTS

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◆ QUESTIONS????